

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN HEDGES**, on January 9, 2003 at 8:05
A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Donald L. Hedges, Chairman (R)
Sen. Royal Johnson, Vice Chairman (R)
Rep. Eve Franklin (D)
Sen. John Esp (R)
Sen. Bea McCarthy (D)

Members Excused: Rep. Rosalie (Rosie) Buzzas (D) arrived at 8:10
Rep. Dave Lewis (R) was in attendance for part
of meeting.

Members Absent: None.

Staff Present: Mark Bruno, OBPP
Diana Williams, Committee Secretary
Lynn Zanto, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.
Tape counter notations refer to the material
immediately preceding.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Montana State Library

Executive Action: None

HEARING ON MONTANA STATE LIBRARY

Lynn Zanto, Legislative Fiscal Division, explained the bridge document that ties the General Fund numbers in the executive budget to the new legislative budget that deal only with the General Fund. In addition to this, a list of the options that are available and the LFD issues are stated.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 2.8}

EXHIBIT(jeh04a01)**Overview of Agency:**

Karen Strege, Director of the Montana State Library, presented a power point presentation that focused on what the Montana State Library offers, its funding mechanisms, as well as the effects of the proposed budget cuts on this agency. In addition to this presentation, information on Infotrac, copies of the newsletter, the 2002 Annual Report, and a brochure on the Talking Book Library program are Exhibit 2.

EXHIBIT(jeh04a02)

Ms. Strege's presentation focused on the digital library and how it will benefit Montana. With the Montana Shared Catalog, which consists of public, academic and special libraries of various sizes across Montana, **SEN. McCARTHY** had some questions. Presently there are 17 libraries on the shared system. Clarification occurred on who is on the system now, who will be on it in the future and who hasn't been able to be on it since they couldn't meet the matching fund requirement, or the federal money hasn't been available yet. **Ms. Strege** ended by saying, "We hope to get to every library in Montana at some time."

{Tape: 1; Side: A; Approx. Time Counter: 2.8 - 28}

The digital library will be considered the State Publications Center. The benefits of having digital documents are that the written words are more up to date, there is a lack of duplication between the libraries, and the professional assistance on-line user guide is a virtual reference desk that will stream line information resources.

Ms. Strege then discussed the impact of the budget cuts. She said that in order to meet the challenges of the budget cuts this agency combined the programs LISD and NRIS into one. It is called the Montana Digital Library. She further said that in 2001 this agency was evaluated by a firm who focuses on studying libraries. She said that this firm concluded that this State Library does more with fewer resources than any of the other state libraries from the 32 states that were studied. She ended by saying "We squeeze are dollars tight."

{Tape: 1; Side: A; Approx. Time Counter: 28 - 30}

{Tape: 1; Side: B; Approx. Time Counter: 0 - 1.2}

Ms. Strege went into the budget reductions due to the base rolling back to FY2000. The specifics se can be found at the bottom of Page 13 and continues with Pages 14, and 15 of the hearing testimony that is part of Exhibit 2.

Ms. Strege closed by saying that the members on this Committee have a tough job ahead of them. She hopes that they will remember the services and the value that the State Library provides to our communities in Montana and that they also remember the needs of the librarians.

{Tape: 1; Side: B; Approx. Time Counter: 1.2 - 5.5}

CHAIRMAN HEDGES asked that Mark Bruno talk about the Governor's Budget.

Mark Bruno, OBPP, first thanked the agency for all the good work that they did. He said that the Governor's target was based on adding FY02 appropriations in HB 2 with FY03 appropriations after the Special Session and applying the Governor's reduction of \$727,140 to come up with an average. He commented on the creative way that the agency came up for the cost savings with the NRIS and the reorganization. But he noted that there is a reduction in the funding that is using the Coal Severance Tax Shared Account as well as a small reduction in the NRIS budget. He said that both of these reductions will have an impact on the Library's budget.

{Tape: 1; Side: B; Approx. Time Counter: 6.4 - 7.9}

Proponents' Testimony:

Coburn Johnson, President of the Montana Library Association, said that the Association is speaking in support of the Governor's budget for the Montana State Library. She said that with the additional budget reduction that took place on January 6 of \$339,739, and having the possible reduction from the Coal Severance Tax interest by 50 percent, these actions would be crippling the State Library in it's mission. She talked about how in financial crisis, libraries are used more. She said that libraries are "information centers" and information is power. She added that the programs are successful due to the cooperative efforts of all the parties.

EXHIBIT (jeh04a03)

{Tape: 1; Side: B; Approx. Time Counter: 8.0 - 15.2}

Ralph Atchley, Chairman of the Montana State Library, explained that the Montana State Library has taken cuts due to the status of state funds, which has drastically affected the services that they can provide to the public. **Mr. Atchley** is asking this legislature to look for increasing revenues to balance the budget. Even partial restoration of funding would go a long way in restoring services in Montana. The Montana State Library does a great job in stretching the dollar. **Mr. Atchley,** said "The building may be in Helena but are services go statewide." He asks that the legislature accept the Montana State Library's recommended proposals as the best response for an unfortunate situation.

EXHIBIT (jeh04a04)

{Tape: 1; Side: B; Approx. Time Counter: 15.3 - 19.4}

Mark Simonich, Director of Department of Commerce, gave a brief history of the work that he has been involved with at the State level. He made a point saying that in those ten years, this will be the first time that he has come forward addressing another agency's budget. He felt it was important that the Library's budget is addressed.

Mr. Simonich is in support of the proposed Governor's budget and in particular he addressed the Natural Resource Information System (NRIS). He said that NRIS saves money and avoids duplication in the State. NRIS's ability to map a variety of different types of natural resource information has been helpful.

{Tape: 1; Side: B; Approx. Time Counter: 19.5 - 23.4}

Mr. Simonich had to leave so the committee asked questions at this time.

Questions to Mr. Simonich from Committee Members and Responses:

SEN. McCARTHY asked two questions relating to the bed tax money received from the Department of Commerce.

Mr. Simonich said that the bed tax hasn't been appropriated directly to NRIS. Rather the Department has helped by assisting in buying equipment, or things like that, which help maintain the technologies needed to support NRIS. He said that the Library hasn't charged the Department of Commerce directly for some of the services that are provided to the Department. Rather he said that by working in cooperation with the Library the fair share of the costs are managed by having the Department pay for specific items. He said that to the degree that the Department's promotional efforts are benefitting from NRIS, the bed tax dollars are used to assist in paying for those specific items.

Mr. Simonich ended by saying that there is no specific amount given to the Library. He said that when upgrades are needed in the systems, Commerce shares those costs. So it isn't a monthly fee. Rather it is a cooperative effort between the two agencies.

{Tape: 1; Side: B; Approx. Time Counter: 23.5 - 25.7}

SEN. JOHNSON asked for clarification on the Department of Commerce's computer server's location. **Mr. Simonich** said that the servers have been housed at the Library but due to the Department's move to the old Federal Building, there is a room available in that building. He said that once the proposal is accepted and the move occurs, the technical support staff would be working in the same building as the server which will allow for greater efficiency.

SEN. JOHNSON wanted to know if the move would be an additional cost to the State. **Mr. Simonich** believed that the move will be a cost saving. The monthly fee for having the servers at a different location would not have to occur. He said that Commerce will be able to work within the allocated budget and the potential of reducing those costs associated with NRIS may occur over time.

{Tape: 1; Side: B; Approx. Time Counter: 25.8 - 30}

{Tape: 2; Side: A; Approx. Time Counter: 0 - 0.6}

SEN. McCARTHY wanted to know how the cost sharing of the NRIS program is handled in the various agencies. **Mr. Simonich** said that when an agency requests specific data to be developed or requests a map to be produced, a contract is usually done. As far as the travel promotion effort, he said that an agreement is usually produced. This happens when new equipment is purchased or the facility needs to be expanded or something of the like, and then Commerce directly pays a portion of the cost.

REP. LEWIS wanted to know if the Library would be eligible under the current law for an treasure state endowment grant and if not could the laws be changed so that they can become eligible. **Mr. Simonich** thought that the Library wouldn't be eligible for the TSEP grant but the law could be amended. He also commented that with all TSEP funding it has to go through HB 11 so an additional step would have to occur if the Library was to use TSEP funds. He said he would look into the feasibility of allowing the Library funding directly through TSEP funds.

SEN. McCARTHY asked if an amount could be calculated that would be needed. She said that if the funding is only needed for one biennium the figure isn't as drastic, as finding funds for the full amount. She deferred to Mr. Simonich's expertise on that issue. **Mr. Simonich** said that he will work with both agencies to try and determine that amount.

{Tape: 2; Side: A; Approx. Time Counter: 0.6 - 4.8}

Proponents' Testimony (continued):

Stuart Blundell, Chief Operating Officer, Visual Learning Systems Inc. and founder of Integrated Geoscience talked about the importance of NRIS, how it benefits Montana and how he uses it for his business. He also commented on the Montana Geographic Information Council, which he is a member of. He said that this council develops policy for the management and creation of geographic data for the State. He said that geographic data is infrastructure and he believed that NRIS's role to maintain and serve the integrated information that comes from different agencies is critical to where this State needs to go in terms of economic development. He encouraged the Committee to support NRIS and it's mission.

{Tape: 2; Side: A; Approx. Time Counter: 4.8 - 9.5}

Jo Ann Walsh Dotson, Bureau Chief of the Family and Community Health Bureau in the Department of Public Health and Human Services, and Nurse, explained to the Committee the benefits that the Library provides to the staff, how she has benefitted from it personally and how a friend has benefitted from the Talking Book program. She said that the library's resources are used to help promote effective and cost efficient public health programs.

EXHIBIT (jeh04a05)

{Tape: 2; Side: A; Approx. Time Counter: 9.5 - 13.8}

Milla Cummins, Director of the Livingston-Park County Public Library, focused on two reasons why she felt that the Library's services are critical for Montana. By providing information in the Information Age, Montana can stay competitive. And through cost efficient programs the local libraries benefit. She talked about some specific services that the Library provides and asked the Committee to support the Library's budget requests.

{Tape: 2; Side: A; Approx. Time Counter: 13.8 - 21.5}

EXHIBIT (jeh04a06)

Honore Bray, Library Director of the Hearst Free Public Library, talked about some of the specific programs that the State Library has and how these programs have assisted the public, the staff and the library board. She also gave some specifics on how Anaconda has benefitted from the services provided by the State Library. She asked the Committee to give great consideration to the Library's budget.

{Tape: 2; Side: A; Approx. Time Counter: 21.5 - 30.1}

{Tape: 2; Side: B; Approx. Time Counter: 0 - 1.5}

EXHIBIT (jeh04a07)

Ruth Fladstol, Library Director of the Conrad Public Library, said that the shared contract for the Gale Infotrac that the Montana State Library has provided is a valuable asset. Besides providing information it has also provided economic development, and provides access to academic journals for the non-traditional students that live in Pondera County. It is an irreplaceable tool and she would like to see this database kept alive. She said that keeping this database is "a win-win situation for all Montanans."

EXHIBIT (jeh04a08)

{Tape: 2; Side: B; Approx. Time Counter: 1.5 - 6}

Jim Smith, representing the Montana Library Association, commented that today's testimony has verified that this agency is doing everything right, and he hopes that the Committee sees that too. He said that this agency is a small agency, relatively speaking. And like all the other small agencies, are taking disproportionate hits on the budget reductions that have been mandated and which are necessary. He said with the January 6th action, the Library lost an additional \$365,000. He said, "For a small agency that type of impact is just going to diminish their effectiveness to a great extent. I would ask you to keep the State Library in mind when and if there is a time to add back funding to some of these agency."

Mr. Smith asked the Committee to way and balance the needs of all the different requests from the various Departments and asked that the Committee keep in mind the testimony at this Public Hearing. He would like to see that the Library has the funds to build back the base budget and hopes that the Committee will be sympathetic to their needs.

{Tape: 2; Side: B; Approx. Time Counter: 6 - 9.4}

Liam Satre Meloy, Junior at Helena High School, representing himself, said that Infotrac is an essential resource for education in the 21st century. He said that this database is the primary tool he uses for research. The electronic magazines are academically credible. He said that Infotrac provides the most up-to-date information, provides a wide array of information and the information is easily accessible.

EXHIBIT(jeh04a09)

{Tape: 2; Side: B; Approx. Time Counter: 9.4 - 12.2}

Nicole Rush, Senior at Helena High School, representing herself, explained the benefits of Infotrac. She said that the information is easy to find. It's easily accessible and provides good, reliable information. She said that she believes that Infotrac is an incredible asset for any High School student. She knows of no one in the school who doesn't use this database.

EXHIBIT(jeh04a10)

{Tape: 2; Side: B; Approx. Time Counter: 12.2 - 14.6}

Lois Fitzpatrick, representing the Montana Library Association, wanted to reemphasize what Mr. Smith said. She said that through the testimony the Committee can see that this agency does a tremendous amount of work and impacts many people in many different aspects of their lives. She said that libraries do understand the financial crisis that the State is going through and are willing to assist the State in balancing the budget. They also realize that there is value in the services that are provided by the State Library that helps the State economically. She said that the Association is willing to look at any kind of funding that will help restore the resources that the State Library needs.

{Tape: 2; Side: B; Approx. Time Counter: 14.6 - 16}

Questions from Committee Members and Responses:

Sen. McCARTHY wanted to know the difference between using AOL (a search engine) and Infotrac. **Liam Satre Meloy** said that the basic difference is that the information received from Infotrac is valid. He said that the person knows that the information is reliable since the requirement that is needed to be part of Infotrac is that the information is academically creditable. He also said that with the Internet search, there is a broader range of hits and a person might have to go through many articles before they found an article related to their project.

{Tape: 2; Side: B; Approx. Time Counter: 16 - 18.7}

CHAIRMAN HEDGES had two questions dealing with the proposed reduction of the Coal Severance Tax allocation to the Library (HB 10). **Mr. Bruno** explained that for the library the percent goes from 6.01 percent to 4.16 percent which is \$151,000 reduction in each year. He thought the money would be shifting. He said that more money would be going to the General Fund.

{Tape: 2; Side: B; Approx. Time Counter: 18.7 - 19.8}

REP. FRANKLIN wanted to know if the shifting of the money would be one time or would the bill create an ongoing statutory change. Mr. Bruno believed that it will be through the 2005 biennium.

Ms. Strege responded to the two questions presented by **REP. FRANKLIN** that dealt with the impacts that will occur because of the merger of the two programs. **REP. FRANKLIN** asked these questions since she noticed that there is no funds allocated during the transition period when the library becomes the digital library.

Ms. Strege said that the only downside of the merger is that two FTE will be lost. She said primarily it is the staff that processes printed material. She said that they see no other detriments to the service. She said that they see enhancements to both programs that merge into one. She said that the expertise will be able to be shared more easily between department lines and there the user will have the materials more readily available.

In response to the follow up question, **Ms. Strege** said that the only loss in service is in book processing. She said that during the transition period the Library will need their services and other staff will have to fill in. She said that it will be a hardship for the other staff.

{Tape: 2; Side: B; Approx. Time Counter: 19.8 - 22.5}

REP. BUZZAS wanted to know the ramifications of the federal funds that the library gets if the cuts occur. **Ms. Strege** said that the Library is close to being reduced. She said that any more reduction would cause us to lose that federal funding. But right now the federal funding isn't in danger. And it was clarified that this meant even after the cuts that will happen in HB 2 this year.

{Tape: 2; Side: B; Approx. Time Counter: 22.5 - 23.5}

SEN. JOHNSON wanted to know the relationship between NRIS program and the program that is available through Montanan Tech, Bureau of Mines system. His follow up question dealt with wanting to know how many other agencies has a system like the Bureau of Mines or that used NRIS.

Jim Hill, Director of NRIS program, explained in detail about how the NRIS program works. He said that this program is a clearinghouse where information is received from state and federal agencies, not only geospatial information but natural resource information in general, and then integrated. He went into the specifics as to how this was done.

Mr. Hill said that there is a great synergistic relationship between the Bureau of Mines system and NRIS. There is no duplication of effort. The Bureau isn't a clearinghouse and the NRIS program isn't a manager of the extensive database that the Bureau has. He said that the Bureau also has geological information.

Mr. Hill responded to the follow up question by saying that every natural resource agency in the State and most of the other agencies produce information that the State Library might use.

{Tape: 2; Side: B; Approx. Time Counter: 23.5 - 28.5}

Mr. Hill then explained more specifics as to how the data is collected and integrated. He ended by saying that the viewer doesn't have to "shop around at the different places to find the information."

The last question **SEN. JOHNSON** asked was that he wanted to know if the people involved in the NRIS program have gotten together with the people who are supplying the information to see if there is a more efficient way to handle this process. **Mr. Hill** responded by explaining to the Committee the different entities that are involved in supplying the data and how there is close cooperation amongst all of these people to try and make everything work better and they look for ways to be more efficient.

Mr. Hill commented that as far as combining or looking for efficiencies through combining databases, most agencies have databases that are used specifically in their agency. He named a few agencies and explained why their database is fundamentally attached to that agency and therefore couldn't be separated.

Mr. Hill said as far as what could be done is that the people involved with this geosystem can work together to make sure that information is created only one time, easily accessible to all users and can be used by all users.

{Tape: 2; Side: B; Approx. Time Counter: 28.6 - 30.5}

{Tape: 3; Side: A; Approx. Time Counter: 0 - 4.3}

SEN. McCARTHY made a comment that during the interim, DQC did extensive hearings with coalbed methane. All of the agencies that have been discussed today went to the hearings and provided information. She said that the combined volume had no duplication and they each had their own field of expertise but they did share. The other group that continually uses this is Susan Cottingham's group in the Water Resources Division of the Department of Natural Resources. She is the contact person. They continue to use the resources of all of these people with little duplication.

{Tape: 3; Side: A; Approx. Time Counter: 4.3 - 5.4}

REP. BUZZAS wanted to know more about the Infotrac program. She was of the opinion that when this statewide program started it was going to phase in the local libraries and it was going to save costs in the budget earmarked for periodicals.

Ms. Strege said that this program has been funded for four years. She said that it has grown but as far as attaching numbers, she said that it is difficult since there isn't a set way that school districts subscribe but will try and provide a number. As far as the cost saving aspect to this program, **Ms. Strege** said that it is almost impossible to calculate but she will think on it and get back to **REP. BUZZAS** with an answer.

{Tape: 3; Side: A; Approx. Time Counter: 5.4 - 7.5}

REP. LEWIS asked if **Ms. Strege** would write a letter explaining to him what she sees as the role in the traditional libraries, in the Information Age, over the next decade. He asked for the high points, maybe in a bullet format. He asked this because he sees that the library's role will be drastically changing. **Ms. Strege** said she would do that.

{Tape: 3; Side: A; Approx. Time Counter: 7.5 - 8.8}

CHAIRMAN HEDGES said that he is confident that before the session is complete, there will be money available to fund some projects. He asked if the reductions that were provided today are in a priority list. **Ms. Streege** said that one will be available when executive action occurs. (See January 14, 2003 minutes for a copy.)

{Tape: 3; Side: A; Approx. Time Counter: 8.8 - 9.9}

ADJOURNMENT

Adjournment: 10:05 A.M.

REP. DONALD L. HEDGES, Chairman

DIANA WILLIAMS, Secretary

DH/DW

EXHIBIT (jeh04aad)